

Press Release

ProStrakan Group plc

Interim Management Statement

Galashiels, UK. 17th November 2009: ProStrakan Group plc (LSE: PSK), the international specialty pharmaceutical company, today issues its Interim Management Statement (“IMS”) for the period 1st July – 31st October 2009.

Trading

The first 10 months of 2009 (1st January – 31st October) have seen a period of continued significant growth for ProStrakan, with total revenues increasing by 42% over the corresponding period in 2008.

Total product revenues increased by 36% over the period, with further growth coming from licensing and royalty income. European product revenues continued to display strong growth at 22%, with our new US business contributing the balance. Currency exchange rates accounted for 8% of the Group’s growth during the period. In October, monthly sales exceeded £7m for the first time.

Product Sales Update

Sales of the Group’s pan-EU products – Tostran, Rectogesic and Xomolix – increased by 32%, while ProStrakan’s top-selling product, Adcal-D3, which is marketed in the UK only, continued to consolidate its market-leading position with sales growth of 16%.

Abstral, ProStrakan’s sub-lingual (under the tongue) tablet for breakthrough cancer pain, was launched in the UK and Germany in January, in France in July and in Spain in October. Abstral has performed ahead of the Board’s expectations, with independent external sales data (IMS) indicating that it commanded a 19% share of the fast-acting

fentanyl market for breakthrough cancer pain in Germany and a 16% market share in the UK for the month of September. Abstral recorded sales of £3.2m in the first 10 months of 2009 and continues to grow strongly.

Sancuso, ProStrakan's novel, transdermal patch for the prevention of chemotherapy-induced nausea and vomiting (CINV) in patients receiving chemotherapy for up to five consecutive days, was launched in the United States in late 2008 and revenues for the first 10 months of 2009 totalled £6.1m. While initial growth of this product was encouraging, subsequent sales of Sancuso across the summer have been slower than anticipated. We have taken action in support of the Sancuso sales effort by altering the product's pricing structure and strengthening our US leadership team; taking control of the senior sales team earlier than originally planned from NovaQuest, and concentrating effort on the major metropolitan areas. As a consequence, the rate and total royalty payable to NovaQuest on Sancuso sales has been substantially reduced. The benefits from these actions are already emerging and ex-factory sales in October show substantial improvement.

We remain confident that Sancuso will become established as an important option for oncologists and oncology nurses in preventing CINV and that Sancuso will fulfil its potential as a major contributor to ProStrakan's revenues going forward.

Business Development / Licensing

In August, we announced the outlicensing of FORTESTA (formerly Fortigel), in the US, to Endo Pharmaceuticals Inc. This resulted in the receipt of an upfront milestone payment from Endo of \$10m with additional milestone payments due on approval of this product by the US Food and Drug Administration ("FDA") and potential further sales milestone payments of up to \$160m in addition to royalty payments.

During the period, we received further milestone payments from our partnership arrangements for a range of products.

After issuing a Notice of Allowance in June, the US Patent Office issued the US patent for Sancuso in October.

Product Development

Since the end of H1 2009, ProStrakan has made further progress in delivering on its pipeline of near-to-market products.

Our NDA filing for Abstral was submitted in early August. The FDA has accepted it for review and assigned a standard 10 month review period. If approved, Abstral will be launched in H2 2010 through our existing US Oncology sales force.

A response to the previously received FDA Approvable letter for Cellegesic (Rectogesic in the EU) was submitted at the end of September. The FDA has accepted the filing as a Class 2 response, and has assigned a six month review period. If approved on this timescale, Cellegesic could be commercialised in mid-2010, earlier than previously advised.

In October, the FDA issued a complete response letter to Endo Pharmaceuticals Inc (“Endo”), our US partner for FORTESTA. The FDA has requested the re-analysis of some of the blood samples from the clinical study to ensure compliance with FDA analytical guidance. Endo is confident of its plans to file the response by mid-2010.

People

Since the end of H1, Allan Watson has joined the Company as Chief Financial Officer and as a main board director.

Commenting on today’s IMS, Dr Wilson Totten, ProStrakan’s Chief Executive, said:

“ProStrakan’s strategy has been built on the basis of several different growth drivers and new product launches and it is encouraging to see growth being delivered in such a broad number of areas. The Company has made strong progress in 2009 on the revenue front and our development pipeline now includes two further products under active review in the US, with a further product expected to be refiled there in mid 2010. We are committed to continuing to grow and develop ProStrakan and we remain confidently focused on achieving our financial transformation in 2010.”

Ends

Note to editors:

There will be a conference call for investment analysts today (17th November, 2009) at 08.30am BST.

Please contact Val Mugridge at Brunswick on +44 (0) 20 7396 5325 for details.

About ProStrakan:

ProStrakan Group plc is a rapidly growing specialty pharmaceutical company engaged in the development and commercialisation of prescription medicines for the treatment of unmet therapeutic needs in major markets.

ProStrakan's head office is located in Galashiels in Scotland. The company's development capabilities are centered in Galashiels and Bedminster, New Jersey, USA. Sales and marketing of ProStrakan's portfolio of products are handled by commercial subsidiaries in the UK, US, France, Germany, Spain, Italy and other EU countries.

www.prostrakan.com

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